

# ESCROW INSTRUCTIONS



TO: CHICAGO TITLE COMPANY, licensed by the California Department of Insurance

16969 VON KARMAN, IRVINE, CA 92606  
(949)263-2544 Fax (949)752-8043

Escrow No. 93023207 - M19

Escrow Officer Lorri Beasley

Date November 5, 1999

1. On or before the TIME LIMIT DATE of January 18, 2000

2.

3. The undersigned hands you an "Agreement for Purchase of Real Property and Joint Escrow Instructions", hereinafter  
4. the Agreement, dated as of November 2, 1999, executed by Boeing Realty Corporation, as Seller, and Hafele  
5. America Co., a North Carolina corporation, as Buyer.

6.

7. You as Escrow Holder, are instructed to act in accordance with the terms and conditions of said Agreement insofar  
8. as is required to close this escrow. Specifically, you are to be concerned only with the following paragraphs of the  
9. Agreement: Sections 1 through 8, 12.1 through 12.7, 13 (only as called for herein), 14.1, 14.3 through 14.11, 14.13  
10. through 14.16, and 14.18. Further, the Additional Instructions attached hereto are hereby incorporated herein, and by  
11. execution of these instructions, the undersigned agree to same.

12.

13. All other terms, conditions and provisions of the Agreement affect the principals only, and you, as Escrow Holder, are  
14. not to be concerned or liable therefore. The undersigned, as principals of the Agreement, hereby agree as a  
15. condition of your acceptance of the limited agency, to be bound by the General Provisions attached hereto and  
16. incorporated herein by this reference. In the event of any inconsistency between the General Provisions and the  
17. Agreement, as between the parties, the Agreement shall control.

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CHICAGO TITLE COMPANY

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Lorri Beasley

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Senior Commercial Escrow Officer

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**SIGN and RETURN**

## ESCROW INSTRUCTIONS (Continued)

TO: CHICAGO TITLE COMPANY

Escrow No. 93023207 - M19

Date November 5, 1999

1. ADDITIONAL INSTRUCTIONS:

2.  
3. A. The date of the "Opening of Escrow" as referenced in Section 2 of the Agreement is November 4, 1999.

4.  
5. The "Feasibility Period" as referenced in Section 4.3.1 of the agreement shall end January 3, 2000 ("Feasibility  
6. Deadline").

7.  
8. The "Closing Date" as referenced in Section 6.1 of the Agreement shall be on or before January 18, 2000.

9.  
10. B. Escrow Holder shall be provided with the exact purchase price of subject property as referenced in Section 3.1 of  
11. the Agreement, same to be approved by all parties prior to closing.

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13. C. Buyer's deposit shall be invested by Escrow Holder in accordance with the provisions of Section 3.2.1 of the  
14. Agreement only upon Escrow Holder's receipt from Buyer of the executed investment instructions and completed  
15. and executed Form W-9.

16.  
17. D. Pursuant to the provisions of Section 12.3 of the Agreement, Seller and Buyer shall each pay \$2,286.90  
18. representing one-half of the Escrow Fee.

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20. E. In the event the real property taxes have not been segregated for subject property, Escrow Holder shall be  
21. provided with specific instructions from Seller and Buyer as to the amount to be used for the proration of taxes as  
22. referenced in Section 12.2 of the Agreement. Further, Escrow Holder shall be notified in writing by Seller and Buyer  
23. of any other prorations to be made through the closing of this escrow.

24.  
25. F. Buyer shall notify Escrow Holder in writing not less than five (5) business days prior to closing should Buyer  
26. require the issuance of an ALTA Extended Coverage Owner's Policy of Title Insurance, and shall have delivered or  
27. caused to be delivered to Escrow Holder the documentation as required by Escrow Holder and/or Title Insurer for  
28. the issuance of the ALTA Extended Form coverage. In the event Escrow Holder has NOT received the written  
29. notification as provided for herein, Escrow Holder is instructed to consider that Buyer is NOT requesting the issuance  
30. of the ALTA Extended Owner's Policy of Title Insurance, and Escrow Holder shall cause the CLTA Owner's Policy of  
31. Title Insurance to be issued in connection with the closing of this transaction.

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33. G. Escrow Holder shall only be concerned with the provisions of Section 14.1 of the Agreement upon receipt of  
34. written notification from Buyer of the Assignment of its interest, as previously approved in writing by Seller.

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36. H. As a matter of clarification and specific instructions to Escrow Holder, in the event of receipt of Escrow Holder of  
37. written demand from Seller pursuant to the provisions of Section 8.2 of the Agreement as pertains to LIQUIDATED  
38. DAMAGES, Escrow Holder is instructed to disburse to Seller the Deposit upon demand of Seller alone, and without  
39. further approval of Buyer. Seller and Buyer indemnify and agree to hold Escrow Holder harmless for its compliance  
40. with these specific instructions of the parties.

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42. I. Escrow Holder is instructed to pay commission at closing pursuant to separate instructions from Seller as provided  
43. for in Section 13 of the Agreement. Escrow Holder shall not be otherwise concerned with the provisions of Section  
44. 13 of the Agreement.

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46. J. Buyer shall furnish Escrow Holder with a completed Preliminary Change of Ownership Report required by the  
47. County Assessor, to be attached to the Grant Deed recording herein. If Escrow Holder is not in receipt of the form

## ESCROW INSTRUCTIONS (Continued)

TO: CHICAGO TITLE COMPANY

Escrow No. 93023207 - M19  
Date November 5, 1999

1. prior to the close of this escrow, or if the form is not complete or acceptable to the County Recorder, Buyer agrees to
2. pay an additional recording fee of \$20.00 through and at the closing of this escrow.

- 3.
4. Chapter 598, Statutes of 1989, effective January 1, 1990, mandates certain hold periods for any type of check
5. (including Cashier's Checks) being deposited in this escrow prior to disbursement being able to take place. Delays in
6. closing and/or delays in releases of funds prior to closing will occur if funding is by other than a bank wire. **PLEASE**
7. **BE ADVISED THAT THESE WIRE INSTRUCTIONS SUPERSEDE ANY WIRE INSTRUCTIONS THAT MAY HAVE**
8. **BEEN INCLUDED IN YOUR PRELIMINARY TITLE REPORT.** Our wire instructions are as follows:

- 9.
10. Wired in funds are to go to:

- 11.
12. UNION BANK 2001 Michelson Drive, Irvine, CA 92714
- 13.

14. for deposit into:

- 15.
16. Chicago Title Company-Irvine C&I/Subdivision - Account Number 9120052915
17. for credit of Escrow No. (INSERT YOUR ESCROW NUMBER HERE)
- 18.

19. The ABA routing number is: 1 2 2 0 0 4 9 6
- 20.

- 21.
22. In the event Escrow Holder is requested to transmit funds by wire transfer, provided that funds are wired in
23. accordance with written instructions, Chicago Title shall not be liable for any act or omission of any financial
24. institution or any other person, nor shall Chicago Title have any liability for loss of funds or interest thereon. Should
25. Chicago Title Company fail to follow said written instructions then, in no event will damages exceed interest at a rate
26. equal to Fed Funds rate, adjusted daily, for the number of days that such funds are unavailable. **CHICAGO TITLE**
27. **COMPANY SHALL NOT BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL**
28. **DAMAGES, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT WHETHER THE**
29. **LIKELIHOOD OF SUCH DAMAGE WAS KNOWN TO CHICAGO TITLE.** The undersigned shall indemnify and hold
30. harmless Chicago Title, its successors or assigns, from any loss, liability and cost incurred as a result of any incorrect
31. information supplied. The party being debited for said disbursement agrees to pay Escrow Holder a fee of \$25.00 for
32. each wire.

- 33.
34. Parties to this transaction are aware and understand that as a result of the passage of the Tax Reform Act of
35. 1986 which added Section 6045(e) to the Internal Revenue Code, the closing of this transaction will be delayed in the
36. event Seller(s) to this escrow should refuse to remit to Escrow Agent/Holder, prior to close of escrow, "Seller's
37. Certification for Compliance with Real Estate Reporting Requirements," with all necessary information fully completed
38. and duly executed.

- 39.
40. Escrow Holder shall not be concerned with, or liable for payment, adjustment or proration of, Supplemental
41. Taxes assessed pursuant to Chapter 498, Statutes of 1983, State of California, unless specifically reflected on the Tax
42. Assessor's rolls. All assessments not shown on the tax rolls are to be adjusted outside of escrow. The title policy will
43. contain an exception for the lien of any assessment of Supplemental Taxes assessed pursuant to Chapter 498,
44. Statutes of 1983.

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# GENERAL PROVISIONS

TO: CHICAGO TITLE COMPANY

Escrow No. 93023207 - M19

Date November 5, 1999

Time is of the essence of these instructions. If this escrow is not in a condition to close by the TIME LIMIT DATE as provided for herein and written demand for cancellation is received by you from any principal to this escrow after said date, you shall act in accordance with paragraph 7 of the General Provisions. If no conflicting instruction or demand for cancellation is made, you will proceed to close this escrow when the principals have complied with the escrow instructions. In the event one or more of the General Provisions are held to be invalid, those remaining will continue to be operative. Any amendments of or supplements to any instructions affecting escrow must be in writing. You are authorized to order demands for, and pay at the close of escrow any encumbrances of record necessary to place title in the condition called for without further authorization. You are further authorized, prior to the close of escrow, to pay from funds on deposit any fees necessary to obtain any demand and/or report as may be required in this escrow and at the close of escrow charge the parties as appropriate. The principals will hand you any funds and instruments required from each respectively to complete this escrow. Interest on any new financing may begin to accrue on the date loan funds/proceeds are disbursed by the new lender, and borrower agrees to pay same in accordance with lender's instructions.

2. You are instructed to deliver and/or record all documents and disburse all funds when you can comply with these instructions and issue any title insurance policy as called for herein. These instructions, together with any amendments and/or supplements, may be executed in counterparts and together shall constitute one and the same document. If these instructions relate to a sale, and if there is no other written agreement between the parties pertaining thereto, buyer agrees to buy and seller agrees to sell upon the terms and conditions hereof. All documents, balances and statements due the undersigned are to be mailed to the respective addresses shown herein, unless otherwise directed. In the event that any party to this escrow utilizes facsimile transmitted signed documents, all parties hereby agree to accept and hereby instruct the escrow holder to rely upon such documents as if they bore original signatures. Buyer and seller further acknowledge that any documents to be recorded bearing non original (facsimile) signatures will not be accepted for recording by the county recorder.
3. The phrase "close of escrow" (or COE) as used in this escrow means the date on which documents are recorded, unless otherwise specified.
4. Assume a 30 day month in any proration herein provided, and unless otherwise instructed, you are to use the information contained in the latest available tax statement, including any supplemental taxes of record, rental statement as provided by seller and beneficiary's or association statements delivered into escrow for proration purposes.

Upon close of escrow you are instructed to charge our respective accounts the costs attributable to each, including but not limited to costs as provided for herein and/or in accordance with our respective estimated statements attached hereto and made a part hereof.

6. Recordation of any instruments delivered through this escrow, if necessary or proper for the issuance of the policy of title insurance called for, is authorized. No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.
7. If demand to cancel is submitted after the Time Limit Date, any principal so requesting you to cancel this escrow shall file notice of demand to cancel in your office in writing. You shall within three (3) working days thereafter mail by certified mail one copy of such notice to each of the other principals at the address stated in this escrow. Unless written objection thereto is filed in your office by a principal within fifteen (15) calendar days after the date of such mailing, you are instructed to cancel this escrow. If this is a sale escrow, you may return the lender's papers and/or funds upon lender's demand.
8. In the event that this escrow is canceled, any fees or charges due Chicago Title Company including cancellation fees and any expenditures incurred or authorized shall be paid from funds on deposit unless otherwise specifically agreed to or determined by a court of competent jurisdiction. Upon payment thereof, return documents and monies to the respective parties depositing same, or as ordered by the court, and void any executed instruments.
9. If there is no written activity by a principal to this escrow within any six-month period after the Time Limit Date set forth herein, Chicago Title Company may, at its option, terminate its agency obligation and cancel this escrow, returning all documents, monies or other items held, to the respective parties entitled thereto, less any fees and charges as provided herein.
10. If, for any reason, funds are retained or remain in escrow after the closing date, you may deduct therefrom a reasonable charge as custodian, of not less than \$25.00 per month, unless otherwise specified.

(Continued)

GENERAL PROVISIONS  
(Continued)

TO: CHICAGO TITLE COMPANY

Escrow No. 93023207 - M19  
Date November 5, 1999

In the event that you should receive or become aware of conflicting demands or claims with respect to this escrow, or the rights of any of the parties hereto, or any money or property deposited herein, you shall have the absolute right at your option to discontinue any or all further acts until such conflict is resolved to your satisfaction.

12. In the event that any Offer to Purchase, Deposit Receipt, or any other form of Purchase Agreement is deposited in this escrow, you, as escrow holder, are not to be concerned with the terms of such document and are relieved of all responsibility in connection therewith. The foregoing is not applicable in any transaction in which Chicago Title has specifically agreed to accept an Offer to Purchase, Deposit Receipt or other form of Purchase Agreement as escrow instructions. In any event, you are not to be concerned or liable for items designated as "memoranda" in these escrow instructions nor with any other agreement or contract between the parties.
13. The parties hereto, by execution of these instructions acknowledge that the escrow holder assumes no responsibility or liability whatsoever for the supervision of any act or the performance of any condition which is a condition subsequent to the closing of this escrow.
14. In the absence of instructions to the contrary, you are hereby authorized to utilize wire services, overnight, next day, or other expedited delivery services (as opposed to the regular U.S. Mail) and to charge the respective party's account accordingly.
15. Concerning any real property involved in this transaction you are released from and shall have no liability, obligation or responsibility with respect to (a) withholding of funds pursuant to Section 1445 of the Internal Revenue Code of 1986 as amended, and to Sections 18662 and 18668 of the California Revenue and Taxation Code, (b) advising the parties as to the requirements of said Section 1445, (c) determining whether the transferor is a foreign person or a non-resident under such Section, nor (d) obtaining a non foreign affidavit or other exemption from withholding under said Sections nor otherwise making any inquiry concerning compliance with such Sections by any party to the transaction.
16. If you pay a demand to pay in full a revolving line of credit or equityline loan, you are hereby instructed on my behalf and for my benefit, to request that the lender issuing said demand cancel said revolving line or equityline of credit.
17. You are authorized to furnish to any affiliate of Chicago Title Company, any attorney, broker or lender identified with this transaction or any one acting on behalf of such lender any information, instructions, amendments, statements, or notices of cancellation given in connection with this escrow. If any check submitted to escrow is dishonored when presented for payment, you are authorized to notify all principals and/or their respective agents of such non payment.
18. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company, as set forth herein.
19. All funds received in this escrow shall be deposited with other escrow funds in one or more non-interest bearing demand accounts of Chicago Title Company in any state or federal bank or any state or federal savings and loan association ("the depository institutions") and may be transferred to any other such accounts.  
  
The parties to this escrow acknowledge that while these accounts do not bear interest, because of these and other banking relationships with the depository institutions, Chicago Title Company and its affiliates may receive from some of the depository institutions an array of banking services, accommodations or other benefits. Chicago Title Company and its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from some of the depository institutions. All of such services, accommodations and other benefits shall accrue, directly or indirectly, to Chicago Title Company and its affiliates and they shall have no obligation to account to the parties to this escrow for the value of such services, accommodations or other benefits. All disbursements shall be made by Chicago Title Company check, unless otherwise instructed.
20. Chicago Title Company shall not be responsible for any delay in closing if funds received by escrow are not available for immediate withdrawal. Chicago Title Company may, at its option, require concurrent instructions from all principals prior to release of any funds on deposit in this escrow.  
  
You are authorized to destroy or otherwise dispose of any and all documents, papers, instructions, correspondence and other material pertaining to this escrow at the expiration of six (6) years from the close of escrow or cancellation thereof, without liability and without further notice.

(Continued)

TO: CHICAGO TITLE COMPANY

Escrow No. 93023207 - M19  
Date November 5, 1999

**IMPORTANT NOTICE**

Except for wire transfers, funds remitted to this escrow are subject to availability requirements imposed by Section 12413.1 of the California Insurance Code. CASHIER'S, CERTIFIED or TELLER'S checks, payable to CHICAGO TITLE COMPANY are generally available for disbursement on the next business day following the date of deposit.

Other forms of payment may cause extended delays in the closing of your transaction pursuant to the requirements imposed by State Law.

(Wire transfer information available upon request)

ALL PARTIES TO THIS ESCROW ACKNOWLEDGE THAT CHICAGO TITLE COMPANY DOES NOT PROVIDE LEGAL ADVICE NOR HAS IT MADE ANY INVESTIGATION, REPRESENTATIONS OR ASSURANCES WHATSOEVER REGARDING THE LEGAL ASPECTS OR COMPLIANCE OF THIS TRANSACTION WITH ANY TAX, SECURITIES OR ANY OTHER STATE OR FEDERAL LAWS. IT IS RECOMMENDED THAT THE PARTIES OBTAIN INDEPENDENT LEGAL COUNSEL AS TO SUCH MATTERS.

THE FOREGOING ESCROW INSTRUCTIONS AND GENERAL PROVISIONS HAVE BEEN READ AND ARE UNDERSTOOD AND AGREED TO BY EACH OF THE UNDERSIGNED.

SELLER:

BOEING REALTY CORPORATION,  
a California corporation

BY: \_\_\_\_\_  
Name  
Title

BUYER:

HAFELE AMERICA CO.,  
a North Carolina corporation

BY: John C. Hossli  
Name John C. Hossli  
Title PRESIDENT  
BY: Ursula Hafele  
Name Ursula Hafele  
Title Vice President

**Current Address:**

4060 Lakewood Blvd.  
6th Floor  
Long Beach, CA 90808

Telephone: \_\_\_\_\_

**Current Address:**

3901 Cheyenne Drive  
Archdale, NORTH CAROLINA 27263

Telephone: 336.889.2322

GENERAL PROVISIONS  
(Continued)

TO: CHICAGO TITLE COMPANY

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SELLER:

BOEING REALTY CORPORATION,  
a California corporation

BY: 

Name  
Title

STEPHEN J. BARKER  
DIRECTOR-BUSINESS OPERATIONS

BUYER:

HAFELE AMERICA CO.,  
a North Carolina corporation

BY: \_\_\_\_\_

Name  
Title

Current Address:

4060 Lakewood Blvd.  
6th Floor  
Long Beach, CA 90808

Telephone: \_\_\_\_\_

Current Address:

3901 Cheyenne Drive  
Archdale, NORTH CAROLINA 27263

Telephone: \_\_\_\_\_



# CHICAGO TITLE COMPANY

16969 VON KARMAN, IRVINE, CA 92606  
(949)263-2544 Fax (949)752-8043

November 5, 1999

Mario Stavale  
Boeing Realty Corporation  
4060 Lakewood Boulevard  
6th Floor  
Long Beach, CA 90808

Re: Escrow No. 93023207-M19  
Sale to Hafele America Co.  
Lots 8 and 9, Harbor Gateway

Dear Mario:

Enclosed herewith are the following items in connection with the above referenced transaction:

1. Copy of executed Agreement for your records;
2. Escrow Instructions for execution;
3. Real Estate Reporting Solicitation Form for completion and execution;
4. Notice of Tax Withholding Requirements for your information; and,
5. Important Seller's Information for your review.

The executed documents should be returned to this office as soon as possible. Please note the dates specified in Section A of the Escrow Instructions.

Should you have any questions regarding the matters addressed herein, enclosed herewith or this transaction, please call me directly at (949) 263-2544. Thank you.

Sincerely,



Lorri Beasley  
Senior Commercial Escrow Officer

/lb  
encl. mentioned  
via overnight delivery  
cc: Alan B. Guttenberg, Esq.  
Jim Biondi  
both w encl. - via overnight delivery





# CHICAGO TITLE COMPANY

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16969 VON KARMAN, IRVINE, CA 92606  
(949)263-2544 Fax (949)752-8043

January 19, 2000

Boeing Realty Corporation  
Attn: Mario Stavale  
4060 Lakewood Blvd., 6th Floor  
Long Beach, CA 90808

Re: Escrow No. 93023207-M19  
Lots 8 and 9, Tract 52172-02, Harbor Gateway Center, Long Beach, California

Gentlemen:

In connection with the above referenced Escrow, which closed of even date, we enclose herewith the following:

1. Seller's Settlement Statement, in duplicate;
2. Copy of Escrow Instructions.

We shall forward to you a copy of the recorded Grant Deed upon our receipt of same. Should you have any questions, please contact this office directly at (949) 263-2544.

Sincerely,

Bridget Pearson, for  
Lorri Beasley  
Senior Commercial Escrow Officer

encl. via UPS overnight

cc: ~~Allan B. Guttenberg, Esq.~~, w/encl. via mail  
Jim Biondi, w/encl. via UPS overnight

# ESCROW INSTRUCTIONS



TO: CHICAGO TITLE COMPANY, licensed by the California Department of Insurance

16969 VON KARMAN, IRVINE, CA 92606  
(949)263-2544 Fax (949)752-8043

Escrow No. 93023207 - M19

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15. condition of your acceptance of the limited agency, to be bound by the General Provisions attached hereto and  
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22. CHICAGO TITLE COMPANY

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**SIGN and RETURN**

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Escrow No. 93023207 - M19  
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5. (including Cashier's Checks) being deposited in this escrow prior to disbursement being able to take place. Delays in
6. closing and/or delays in releases of funds prior to closing will occur if funding is by other than a bank wire. **PLEASE**
7. **BE ADVISED THAT THESE WIRE INSTRUCTIONS SUPERSEDE ANY WIRE INSTRUCTIONS THAT MAY HAVE**
8. **BEEN INCLUDED IN YOUR PRELIMINARY TITLE REPORT.** Our wire instructions are as follows:

- 9.
10. Wired in funds are to go to:

- 11.
12. UNION BANK 2001 Michelson Drive, Irvine, CA 92714

- 13.
14. for deposit into:

- 15.
16. Chicago Title Company-Irvine C&I/Subdivision - Account Number 9120052915
17. for credit of Escrow No. (INSERT YOUR ESCROW NUMBER HERE)

- 18.
19. The ABA routing number is: 122000496

- 20.
- 21.
22. In the event Escrow Holder is requested to transmit funds by wire transfer, provided that funds are wired in
23. accordance with written instructions, Chicago Title shall not be liable for any act or omission of any financial
24. institution or any other person, nor shall Chicago Title have any liability for loss of funds or interest thereon. Should
25. Chicago Title Company fail to follow said written instructions then, in no event will damages exceed interest at a rate
26. equal to Fed Funds rate, adjusted daily, for the number of days that such funds are unavailable. ~~CHICAGO TITLE~~
27. ~~COMPANY SHALL NOT BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL~~
28. ~~DAMAGES, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT WHETHER THE~~ MB
29. ~~LIKELIHOOD OF SUCH DAMAGE WAS KNOWN TO CHICAGO TITLE.~~ The undersigned shall indemnify and hold
30. harmless Chicago Title, its successors or assigns, from any loss, liability and cost incurred as a result of any incorrect
31. information supplied. The party being debited for said disbursement agrees to pay Escrow Holder a fee of \$25.00 for
32. each wire.

- 33.
34. Parties to this transaction are aware and understand that as a result of the passage of the Tax Reform Act of
35. 1986 which added Section 6045(e) to the Internal Revenue Code, the closing of this transaction will be delayed in the
36. event Seller(s) to this escrow should refuse to remit to Escrow Agent/Holder, prior to close of escrow, "Seller's
37. Certification for Compliance with Real Estate Reporting Requirements," with all necessary information fully completed
38. and duly executed.

- 39.
40. Escrow Holder shall not be concerned with, or liable for payment, adjustment or proration of, Supplemental
41. Taxes assessed pursuant to Chapter 498, Statutes of 1983, State of California, unless specifically reflected on the Tax
42. Assessor's rolls. All assessments not shown on the tax rolls are to be adjusted outside of escrow. The title policy will
43. contain an exception for the lien of any assessment of Supplemental Taxes assessed pursuant to Chapter 498,
44. Statutes of 1983.

# GENERAL PROVISIONS

TO: CHICAGO TITLE COMPANY

Escrow No. 93023207 - M19  
Date November 5, 1999

1. Time is of the essence of these instructions. If this escrow is not in a condition to close by the TIME LIMIT DATE as provided for herein and written demand for cancellation is received by you from any principal to this escrow after said date, you shall act in accordance with paragraph 7 of the General Provisions. If no conflicting instruction or demand for cancellation is made, you will proceed to close this escrow when the principals have complied with the escrow instructions. In the event one or more of the General Provisions are held to be invalid, those remaining will continue to be operative. Any amendments of or supplements to any instructions affecting escrow must be in writing. You are authorized to order demands for, and pay at the close of escrow any encumbrances of record necessary to place title in the condition called for without further authorization. You are further authorized, prior to the close of escrow, to pay from funds on deposit any fees necessary to obtain any demand and/or report as may be required in this escrow and at the close of escrow charge the parties as appropriate. The principals will hand you any funds and instruments required from each respectively to complete this escrow. Interest on any new financing may begin to accrue on the date loan funds/proceeds are disbursed by the new lender, and borrower agrees to pay same in accordance with lender's instructions.
2. You are instructed to deliver and/or record all documents and disburse all funds when you can comply with these instructions and issue any title insurance policy as called for herein. These instructions, together with any amendments and/or supplements, may be executed in counterparts and together shall constitute one and the same document. If these instructions relate to a sale, and if there is no other written agreement between the parties pertaining thereto, buyer agrees to buy and seller agrees to sell upon the terms and conditions hereof. All documents, balances and statements due the undersigned are to be mailed to the respective addresses shown herein, unless otherwise directed. In the event that any party to this escrow utilizes facsimile transmitted signed documents, all parties hereby agree to accept and hereby instruct the escrow holder to rely upon such documents as if they bore original signatures. Buyer and seller further acknowledge that any documents to be recorded bearing non original (facsimile) signatures will not be accepted for recording by the county recorder.
3. The phrase "close of escrow" (or COE) as used in this escrow means the date on which documents are recorded, unless otherwise specified.
4. Assume a 30 day month in any proration herein provided, and unless otherwise instructed, you are to use the information contained in the latest available tax statement, including any supplemental taxes of record, rental statement as provided by seller and beneficiary's or association statements delivered into escrow for proration purposes.
5. Upon close of escrow you are instructed to charge our respective accounts the costs attributable to each, including but not limited to costs as provided for herein and/or in accordance with our respective estimated statements attached hereto and made a part hereof.
6. Recordation of any instruments delivered through this escrow, if necessary or proper for the issuance of the policy of title insurance called for, is authorized. No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.
7. If demand to cancel is submitted after the Time Limit Date, any principal so requesting you to cancel this escrow shall file notice of demand to cancel in your office in writing. You shall within three (3) working days thereafter mail by certified mail one copy of such notice to each of the other principals at the address stated in this escrow. Unless written objection thereto is filed in your office by a principal within fifteen (15) calendar days after the date of such mailing, you are instructed to cancel this escrow. If this is a sale escrow, you may return the lender's papers and/or funds upon lender's demand.
8. In the event that this escrow is canceled, any fees or charges due Chicago Title Company including cancellation fees and any expenditures incurred or authorized shall be paid from funds on deposit unless otherwise specifically agreed to or determined by a court of competent jurisdiction. Upon payment thereof, return documents and monies to the respective parties depositing same, or as ordered by the court, and void any executed instruments.
9. If there is no written activity by a principal to this escrow within any six-month period after the Time Limit Date set forth herein, Chicago Title Company may, at its option, terminate its agency obligation and cancel this escrow, returning all documents, monies or other items held, to the respective parties entitled thereto, less any fees and charges as provided herein.
10. If, for any reason, funds are retained or remain in escrow after the closing date, you may deduct therefrom a reasonable charge as custodian, of not less than \$25.00 per month, unless otherwise specified.

(Continued)

**GENERAL PROVISIONS**  
(Continued)

**TO: CHICAGO TITLE COMPANY**

Escrow No. 93023207 - M19  
Date November 5, 1999

1. In the event that you should receive or become aware of conflicting demands or claims with respect to this escrow, or the rights of any of the parties hereto, or any money or property deposited herein, you shall have the absolute right at your option to discontinue any or all further acts until such conflict is resolved to your satisfaction.
12. In the event that any Offer to Purchase, Deposit Receipt, or any other form of Purchase Agreement is deposited in this escrow, you, as escrow holder, are not to be concerned with the terms of such document and are relieved of all responsibility in connection therewith. The foregoing is not applicable in any transaction in which Chicago Title has specifically agreed to accept an Offer to Purchase, Deposit Receipt or other form of Purchase Agreement as escrow instructions. In any event, you are not to be concerned or liable for items designated as "memoranda" in these escrow instructions nor with any other agreement or contract between the parties.
13. The parties hereto, by execution of these instructions acknowledge that the escrow holder assumes no responsibility or liability whatsoever for the supervision of any act or the performance of any condition which is a condition subsequent to the closing of this escrow.
14. In the absence of instructions to the contrary, you are hereby authorized to utilize wire services, overnight, next day, or other expedited delivery services (as opposed to the regular U.S. Mail) and to charge the respective party's account accordingly.
15. Concerning any real property involved in this transaction you are released from and shall have no liability, obligation or responsibility with respect to (a) withholding of funds pursuant to Section 1445 of the Internal Revenue Code of 1986 as amended, and to Sections 18662 and 18668 of the California Revenue and Taxation Code, (b) advising the parties as to the requirements of said Section 1445, (c) determining whether the transferor is a foreign person or a non-resident under such Section, nor (d) obtaining a non foreign affidavit or other exemption from withholding under said Sections nor otherwise making any inquiry concerning compliance with such Sections by any party to the transaction.
16. If you pay a demand to pay in full a revolving line of credit or equityline loan, you are hereby instructed on my behalf and for my benefit, to request that the lender issuing said demand cancel said revolving line or equityline of credit.
17. You are authorized to furnish to any affiliate of Chicago Title Company, any attorney, broker or lender identified with this transaction or any one acting on behalf of such lender any information, instructions, amendments, statements, or notices of cancellation given in connection with this escrow. If any check submitted to escrow is dishonored when presented for payment, you are authorized to notify all principals and/or their respective agents of such non payment.
18. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company, as set forth herein.
19. All funds received in this escrow shall be deposited with other escrow funds in one or more non-interest bearing demand accounts of Chicago Title Company in any state or federal bank or any state or federal savings and loan association ("the depository institutions") and may be transferred to any other such accounts.

The parties to this escrow acknowledge that while these accounts do not bear interest, because of these and other banking relationships with the depository institutions, Chicago Title Company and its affiliates may receive from some of the depository institutions an array of banking services, accommodations or other benefits. Chicago Title Company and its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from some of the depository institutions. All of such services, accommodations and other benefits shall accrue, directly or indirectly, to Chicago Title Company and its affiliates and they shall have no obligation to account to the parties to this escrow for the value of such services, accommodations or other benefits. All disbursements shall be made by Chicago Title Company check unless otherwise instructed.
20. Chicago Title Company shall not be responsible for any delay in closing if funds received by escrow are not available for immediate withdrawal. Chicago Title Company may, at its option, require concurrent instructions from all principals prior to release of any funds on deposit in this escrow.
20. You are authorized to destroy or otherwise dispose of any and all documents, papers, instructions, correspondence and other material pertaining to this escrow at the expiration of six (6) years from the close of escrow or cancellation thereof, without liability and without further notice.

(Continued)

GENERAL PROVISIONS  
(Continued)

TO: CHICAGO TITLE COMPANY

Escrow No. 93023207 - M19  
Date November 5, 1999

IMPORTANT NOTICE

Except for wire transfers, funds remitted to this escrow are subject to availability requirements imposed by Section 12413.1 of the California Insurance Code. CASHIER'S, CERTIFIED or TELLER'S checks, payable to CHICAGO TITLE COMPANY are generally available for disbursement on the next business day following the date of deposit.

Other forms of payment may cause extended delays in the closing of your transaction pursuant to the requirements imposed by State Law.

(Wire transfer information available upon request)

ALL PARTIES TO THIS ESCROW ACKNOWLEDGE THAT CHICAGO TITLE COMPANY DOES NOT PROVIDE LEGAL ADVICE NOR HAS IT MADE ANY INVESTIGATION, REPRESENTATIONS OR ASSURANCES WHATSOEVER REGARDING THE LEGAL ASPECTS OR COMPLIANCE OF THIS TRANSACTION WITH ANY TAX, SECURITIES OR ANY OTHER STATE OR FEDERAL LAWS. IT IS RECOMMENDED THAT THE PARTIES OBTAIN INDEPENDENT LEGAL COUNSEL AS TO SUCH MATTERS.

THE FOREGOING ESCROW INSTRUCTIONS AND GENERAL PROVISIONS HAVE BEEN READ AND ARE UNDERSTOOD AND AGREED TO BY EACH OF THE UNDERSIGNED.

SELLER:

BOEING REALTY CORPORATION,  
a California corporation

BY: 

Name  
Title

STEPHEN J. BARKER  
DIRECTOR-BUSINESS OPERATIONS

BUYER:

HAFELE AMERICA CO.,  
a North Carolina corporation

BY: \_\_\_\_\_

Name  
Title

Current Address:

4060 Lakewood Blvd.  
6th Floor  
Long Beach, CA 90808

Telephone: \_\_\_\_\_

Current Address:

3901 Cheyenne Drive  
Archdale, NORTH CAROLINA 27263

Telephone: \_\_\_\_\_

GENERAL PROVISIONS  
(Continued)

TO: CHICAGO TITLE COMPANY

Escrow No. 93023207 - M19  
Date November 5, 1999

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SELLER:

BOEING REALTY CORPORATION,  
a California corporation

BY: \_\_\_\_\_  
Name  
Title

BUYER:

HAFELE AMERICA CO.,  
a North Carolina corporation

BY: John C. Hossli  
Name John C. Hossli  
Title PRESIDENT  
BY: Ursula Hafele  
Name Ursula Hafele  
Title Vice President

Current Address:

4060 Lakewood Blvd.

6th Floor

Long Beach, CA 90808

Telephone: \_\_\_\_\_

Current Address:

3901 Cheyenne Drive

Archdale, NORTH CAROLINA 27263

Telephone: 336.889.2322





# CHICAGO TITLE COMPANY

16969 VON KARMAN, IRVINE, CA 92606  
(949) 263-2544 Fax (949) 752-8043

Escrow No. 93023207 - M19

Escrow Officer Lorri Beasley

## IMPORTANT SELLER'S INFORMATION

Thank you for selecting Chicago Title Company to handle your real estate escrow. We know that you had a choice of companies, and we appreciate that you selected us.

In order that you might better understand some aspects of the transaction and that we might serve you more expeditiously, we are providing the following information:

1. **DEPOSITS INTO ESCROW:** Except for wire transfers, funds remitted into your escrow are subject to availability requirements imposed by Section 12413.1 of the California Insurance Code. Cashier's checks, certified checks or teller's checks made payable to Chicago Title Company are generally available for disbursement on the next business day following the day of deposit. Funds received by wire transfer are available for disbursement on the day of receipt. Other forms of payment may cause extended delays in the closing of your transaction. Wire transfer information is available upon request. If you have any questions regarding this matter, please contact your escrow officer.

2. **REAL PROPERTY TAXES:** The Tax collector will prepare only one tax bill during the year, even though a transfer of ownership occurs. In order for the buyer of your real property to be able to make timely payment of any real property taxes that may be his responsibility after the close of your escrow, it is important that you forward the current tax bill to him. If, after the close of this escrow, you receive a tax bill for this property, it is equally important that you not ignore or destroy it, but forward that bill to the new owner for payment. **CAUTION:** If you acquired this property recently or if you have improved the real property recently (built a swimming pool, completed a room addition, etc.) and have not yet received a supplemental tax bill, you soon will. If you receive it after the close of escrow, you will be responsible for its payment. The buyer in your transaction will receive a supplemental tax bill based on the value established by your sale, for which he is responsible. If you have a question or concern in this matter, please contact your real estate agent or your escrow officer.

3. **SPECIAL HANDLING OF FUNDS:** In the event special handling of funds, as set out below, is required, please notify the escrow officer handling your file so that appropriate instructions can be prepared.

A. **Bank Wires (Incoming):** Chicago Title Company will not be held responsible for verifying receipt of wires until the depositor notifies the escrow officer of (1) the time that the wire was sent; (2) the name and address of the wiring bank, and (3) the Federal Reserve number. Some banks charge a wire fee which can range from \$15.00 to \$25.00.

B. **Bank Wires (Outgoing):** Wires shall be sent only when collected funds are on deposit in the wiring account. Some banks have established minimum wire amounts; some banks charge for utilizing wire services and the charges vary. The party to receive the wire will provide written notification of (1) the name and address of the recipient bank; (2) the beneficiary of the fund (name of the account); (3) the account number, and (4) the ABA or Routing Number. In the event that the recipient bank is not a member of the Federal Reserve System, the name and address of the correspondent bank will also be required. Chicago Title Company will charge a special handling fee of \$25.00 for each wire. Any request for a bank wire will require reasonable advance notice in order for the escrow holder to comply with such request in a timely manner.

Chicago Title Company's sole duty and responsibility will be to place wire instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at the close of escrow. Chicago Title Company will not be responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System. It is recommended that all parties make themselves aware of banking regulations with regard to the placement of wires within and/or outside of California.

In the event that there is insufficient time to place a wire upon any such confirmation, or the wires have closed for the day, the parties will need to provide written instructions for an alternative method of disbursement. Without an alternative disbursement instruction, funds will be held in the escrow account until the next opportunity for wire placement.

In order to avoid delays in the proper handling of funds in your escrow, please notify your escrow officer if any of the above services are to be utilized.

4. **EXCHANGE OF INFORMATION:** In the event that this transaction involves a purchase of residential real property of one to four units and, as a part of the sales price, you are taking back a note and trust deed from the buyer, federal law requires that the seller and buyer provide each other with their respective names, addresses and social security or taxpayers identification numbers for the purpose of including that information on their respective federal income tax returns in conjunction with the reporting of the payment and receipt of mortgage interest.

5. **REPORTING OF SALES TO THE INTERNAL REVENUE SERVICE:** Unless the seller is a corporation, government agency or volume transferor, or is selling certain residential property, the escrow holder is required by federal law to report to IRS any sale of real property on a form 1099 S at the close of the escrow. During the course of the escrow you will be asked to complete a solicitation agreement that will provide us with the information necessary to complete this form. You will be provided with a copy of that form at the close of escrow. If you are a single person selling your residence for \$250,000.00 or less, or a married person selling your residence for \$500,000.00 or less, you may be able to sign a certification to that effect, which will excuse the 1099S reporting.

If you are a single person selling your principal residence for \$250,000.00 or less and can sign a certification making certain declarations, or if you are a married couple selling your principal residence for \$500,000.00 or less and can sign the same certification, then the 1099S reporting discussed above can be ignored.

## IMPORTANT SELLER'S INFORMATION

( continued )

Escrow No. 93023207 - M19

Escrow Officer Lorri Beasley

6. **REPORTS:** In the event that the terms of your escrow indicate that you are responsible for providing any inspections, surveys or reports, please see that they and any invoices for those services (if they are to be paid for through the escrow) are deposited into the escrow as soon as they become available.

7. **HOMEOWNERS ASSOCIATIONS:** If the property that you are selling is part of a homeowners association, please provide your escrow officer with the name, address and phone number of the management company or person responsible for handling the affairs of the association. It will be necessary for the escrow to contact the association to verify the amount and status of dues, determine the amount of any transfer fee, and to provide the association with information regarding the new buyer. Also, if the property being sold is a common interest development, you are required by law to provide the buyer with copies of the governing documents of the common interest development, certain information regarding age restrictions, if they exist, a copy of the most recent financial statement, a written statement from the association as to the association's current regular and special assessments and fees, and any change in those assessments and fees that have been approved by the association's board of directors. Any questions in regards to this requirement should be directed to your association management.

8. **POWER OF ATTORNEY:** If your transaction will require the use of a power of attorney, please advise your escrow officer as soon as possible.

9. **NOTICE OF TAX WITHHOLDING:** As required by Sections 18662 and 18668 of the California Revenue and Taxation Code, notice has been sent to the buyer regarding his duty to withhold 3 1/3% of the sales price from your sales proceeds and request that it be paid to the Franchise Tax Board in the event that you reside outside of the state of California, or if you are requesting that your proceeds be paid to a financial intermediary. Some exemptions from withholding exist. In the event that you live out of state and the buyer requests that funds be withheld from your proceeds, you may be able to reduce or eliminate the withholding (1) by signing an appropriate declaration on a form 590 RE, (if an exemption is available to you) or (2) by contacting the Franchise Tax Board in Sacramento at (916) 845-4900 and discussing your particular tax situation. Any questions should be directed to your tax counsel or accountant.

We hope that the above information is helpful to you. If you have any questions, or if we can be of any assistance, please contact your escrow officer.



## NOTICE OF TAX WITHHOLDING REQUIREMENTS

In accordance with Sections 18662 and 18668 of the California Revenue and Taxation Code, a buyer may be required to withhold an amount equal to THREE AND ONE-THIRD percent (3-1/3%) of the total sales price in the case of a disposition of California real property interest by either:

1. A seller who is an individual with a last known street address outside of California or when the disbursement instructions authorize the proceeds be sent to a "financial intermediary" of the seller, OR
2. A corporate seller which has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold in an amount equal to the greater of Ten percent (10%) of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provisions included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does NOT exceed one hundred thousand dollars (\$100,000), OR
2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California, OR
3. The seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being conveyed is the seller's "principal residence" (as used in Section 1034 of the Internal Revenue Code of 1986), OR
4. The seller is a "partnership" as determined in accordance with Subchapter K of Chapter 1 of Subtitle A of the U.S. Internal Revenue Code.

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

Additionally, under the federal "Foreign Investment in Real Property Tax Act" (FIRPTA) as amended and related laws, a buyer may be required to withhold, and could be liable for, an additional tax equal to TEN percent (10%) of the sales price of the real property being conveyed, in the case of a seller who may also be classified as a "foreign person" under Section 1445 of the Internal Revenue Code of 1986.

The Federal and California statutes referenced above include provisions which authorize the IRS and Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis. The parties herein may wish to investigate these options with their own legal or financial advisors, the Franchise Tax Board or the Internal Revenue Service.

The escrow holder will not undertake to withhold or remit funds to any taxing authority, unless specifically instructed in writing to do so. In the event escrow is so requested, appropriate mutual instructions will be required.

Any information contained in seller's "1099" reporting solicitation or disbursement instructions, which may be relevant to Buyer in determining whether or not withholding is necessary, shall be provided to the buyer, or buyer's legal or financial advisor, for consideration.

**DUE TO THE COMPLEXITY OF THESE TAX LAWS, AND THE PENALTY PROVISIONS FOR FAILURE TO WITHHOLD, IT IS RECOMMENDED THAT THE BUYER CONSULT WITH HIS/HER ATTORNEY OR FINANCIAL ADVISOR AS TO HIS/HER OBLIGATION THEREUNDER, IF ANY, PRIOR TO THE CLOSE OF ESCROW.**

**EAL ESTATE REPORTING  
SOLICITATION**

Date November 5, 1999

Escrow/Order No. 93023207 - M19

You are required by law to furnish your correct taxpayer identification number, and other information, to the "Settlement Agent" as defined in Section 6045(e) of the Internal Revenue Code, for purposes of 1099S information reporting on real estate transactions. Accordingly, information regarding this transaction will be sent to the Internal Revenue Service and State Franchise Tax Board. Failure to provide the settlement agent, **CHICAGO TITLE COMPANY**, with your correct taxpayer identification number could result in civil or criminal penalties as imposed by law. Should you have any questions regarding the information reporting requirements of this section, you are advised to consult with your attorney, tax advisor or the Internal Revenue Service.

**SELLER'S NAME:** (enter surname first)

(1) \_\_\_\_\_

(2) \_\_\_\_\_

**SELLER'S ADDRESS AFTER CLOSE:**

(3) \_\_\_\_\_

(4) City: \_\_\_\_\_

(5) State: \_\_\_\_\_ (6) Zip: \_\_\_\_\_

**TAXPAYER IDENTIFICATION NUMBER:** (for the name shown at line (1) above)

Employer Identification Number: (7) \_\_\_\_\_ - \_\_\_\_\_

- OR -

Social Security Number: (8) \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**ALLOCATION FOR MULTIPLE TRANSFERORS**

If you are ONE of multiple transferors/sellers in this transaction, you can choose to allocate your individual share of "Gross Proceeds" for 1099S reporting. (i.e. 50% share or interest) Transferors who are husband and wife at the time of closing, may be treated as a single transferor. Complete one of the following selections:

For 1099S reporting purposes, the allocation to be used on my behalf in this transaction is:

(a) \_\_\_\_\_ % share of the total gross proceeds

- OR -

(b) The amount of \$ \_\_\_\_\_.

*NOTE: If, at the closing, there is an unresolved conflict of the allocation between multiple transferors or the combined allocations do not total 100% of the reportable gross proceeds, the settlement agent must report the ENTIRE gross proceeds for EACH transferor on each return of information required to be filed. No subsequent corrections or amended 1099S forms will be issued to the transferors under these conditions.*

**CERTIFICATION**

**Under penalties of perjury, I/we certify that the number shown on this form is my correct taxpayer identification number.**

**BOEING REALTY CORPORATION**

BY: \_\_\_\_\_

Date \_\_\_\_\_

BY: \_\_\_\_\_

Date \_\_\_\_\_